



FEDERAL LEGISLATIVE UPDATE
Infrastructure Funding and PABs
July 29, 2002

The “Extraterrestrial Community”?

The Common Accusation

“Congress is too removed from the real problems we face”



Facing New Challenges

Homeland Defense
Corporate Accountability
Budget Deficits
Approaching Elections
The Calendar



OUR PURPOSE: Understanding the “Range of the Possible”

Water/Wastewater Infrastructure Needs
The Cap on Private Activity Bonds



WATER INFRASTRUCTURE

The History of the Issue

Three Waves on Infrastructure Development

1890's – 100 year life

1920's – 80 year life

1950's – 50 year life



History of the Issue (continued)

2000 – WIN Report

\$23 Billion per year for 20 years

Total = nearly \$1 Trillion

2001 – WIN Recommendations

Grants Program

\$57 Billion for FY 2003-2007

New Agency



NCPPP Comments during Process

The History of Grants

The Rush for the Surplus

Need for Private-Sector Support

ENCOURAGE AN OPTION



Capitol Hill Reaction 2001

Briefings for Senate Environment and
Public Works Committee Staff

Briefings House T&I and Commerce Staff

The Same Reaction

Fund the SRF's



The Status in 2002 Senate

Water Investment Act (S-1961)

Introduced in February

Funding through SRF's

Guidelines for Asset Management
and Full Cost Accounting

Reported out of Committee



The Status in 2002

Senate (continued)

Floor Action Delayed

Debate over allocation formulas



The Status in 2002

House

The Tale of Two Committees

Transportation and Infrastructure

Subcommittee . Water Resources &
Environment (water)

Energy and Commerce

Subcommittee . Environment & Hazardous
Materials (wastewater)



The Status in 2002

House T&I

Federal Water Pollution Act Amends
(HR 3930)

Introduced March 12

Reported Out on March 20

Like Senate – Full Cost Accounting
Funding through SRF

Included PAB's

But added a Davis-Bacon Provision
Referred to Ways & Means



The Status in 2002

House Energy & Commerce

Staff Discussions, but
No Action



The Bottom Line

No Floor Action Set

Davis-Bacon Debate

BUT highly probable in
Next Congress

(i.e. in 2003)



The Other Issue: Private Activity Bonds

Current Cap on PAB's

Limitations of dollar volumes that can be issued
Determined by population

Florida -- \$1 billion

Georgia -- \$512 million

New York -- \$1.2 billion

South Carolina -- \$250 million



PABs

Used for
Industrial Development Bonds
Housing
Student Loans

Often nothing left for
Water/Wastewater



P A B s

HR 2707 – “Amend the Internal Revenue Code of 1986 to . . .

June 2001 -- Intro. by

Cong. K. Thurman (D-FL)

12 Cosponsors

Incorporated in HR 3930



PABs

Remove the cap for water/wastewater projects

“Scoring” \$41 million over 5 years



PABs

HR 3930 Referred to
House Ways and Means

April 17 – Committee Mark UP

Chairman's Resistance

No cross committee communication

History of Solid Waste PABs

But **will support** Hearings on the bill



PABs

Staff briefings held

Effort to recruit broader bipartisan support

Prospect: Hearings in early 2003



WHAT DOES THIS ALL MEAN?

Enormous Progress in 2001 and 2002
The First Step: Awareness of the Issue
Realistic Legislative Proposals
Groundwork laid for 2003
("these things just take time")



NEED HELP?

WWW.NCPPP.ORG

Case Studies, Fundamentals of Partnerships,
Issue Papers, Publications



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